

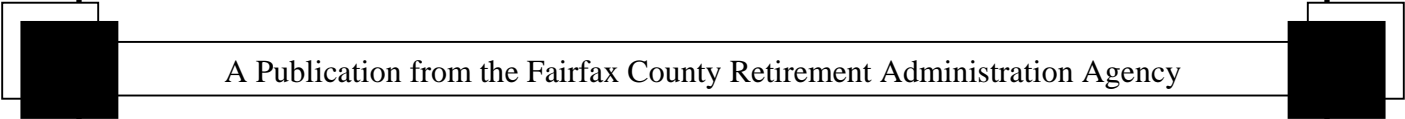


New Retiree's Handbook

Police Officers Retirement System

A Guide For:
Service-Connected Disability Retirees
and
Ordinary Disability Retirees

2006



A Publication from the Fairfax County Retirement Administration Agency

RETIREE HANDBOOK

RETIREMENT ISSUES – Police Officers Retirement System

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This booklet is a summary of information for Fairfax County Employees retiring on an ordinary or service-connected disability retirement. You can find more detailed information about these subjects in the Police Officers Retirement System Handbook and County Personnel Regulations and Policies. (The Fairfax County Code will govern in the event of any error in this booklet.)

Retirement Issues – Police Officers Retirement System

I'm Almost Ready To Retire...What Do I Do? Is Counseling Available?

If you have not already received counseling regarding your retirement options, call the Retirement Agency at (703) 279-8200.

What Kind of Retirement Will I Be Eligible For? What Will I Get?

- **Service-Connected Total or Partial Disability Retirement:** A service-connected disability retirement is available for you if you are unable to do the job for which you were hired due to a job-related injury or illness, regardless of your length of service. You or your agency may initiate the application process.

Definitions

The Fairfax County Ordinance defines total disability as "the inability of the member to reasonably perform his [her] duties as a law enforcement officer." The ordinance defines partial disability as "the ability of the member to perform some part of the duties as a law enforcement officer, such as in administrative or desk assignments." (Fairfax County Ordinance 3-7-29)

Total Disability

To be eligible for this benefit you must apply for Workers' Compensation. The Retirement System's Board of Trustees will rule based upon medical evidence whether you are medically, totally or partially, disabled, and whether the injury or illness was job-related. (Fairfax County Ordinances 3-7-28, 3-7-30, 3-7-35, 3-7-36)

Your benefit with a total service-connected disability retirement is 66% of your salary on the date of accident or personal injury. This tax-free benefit is reduced by payments you receive from Workers' Compensation. In addition, your retirement benefit may be reduced if you have outside earnings. If your retirement benefits and outside earnings exceed what you would have earned if you had not retired, your benefits will be reduced. Your level of benefits may also be reduced based on completion of a rehabilitation or training program, a benefits re-evaluation, or other factors which significantly increase your ability to gain other employment and compensation equivalent to or better than your prior position as a police officer. (Fairfax County Ordinances 3-7-28, 3-7-32, 3-7-33, 3-7-34)

You will continue to accrue service credit, and when you reach your normal retirement date your total disability benefit will change to 60% of the salary that you would have received if you had never been disabled and you had continued to perform your duties as a law enforcement officer. These benefits are still tax-free and any benefits you receive from Workers' Compensation will continue to offset your retirement benefit. (Fairfax County Ordinance 3-7-28)

Partial Disability

The Board of Trustees shall grant you a service-connected partial disability if you become disabled on the job but can still perform some of the duties of a law enforcement officer such as in administrative or desk assignments. If you are partially disabled you may be asked to fill a light duty assignment that you can perform such as an administrative or desk assignment in the Police Department. If the Police Chief determines there are no assignments available, you will be eligible for partial disability benefits. The level of these partial disability benefits shall be set by the Board after considering factors specific to your individual circumstances such as:

- medical evidence and the extent of your physical disability;
- your ability to obtain other gainful employment based on your current education, training, age, experience, or other factors;
- your potential for other gainful employment following a program of rehabilitation and/or retraining;
- the number of years remaining until your eligibility for normal or early retirement;
- your current level of vested service and benefits.

(Fairfax County Ordinances 3-7-28, 3-7-29, 3-7-30, 3-7-32, 3-7-33)

Initially, the level of partial disability benefits will be set at up to 66-2/3% of your salary at the time of your retirement. These tax-free benefits are reduced by payments you receive from Workers' Compensation or earnings from other employment that exceed the difference between your retirement benefits and the current salary of the position from which you retired. These benefits also may be reduced following completion of a rehabilitation or training program, a re-evaluation, or based on other factors which significantly affect your ability to gain other employment and compensation equivalent to or better than your prior position as a police officer. (Fairfax County Ordinances 3-7-28, 3-7-32, 3-7-34)

You also remain subject to recall anytime an appropriate assignment in the Police Department becomes available. You do not earn creditable service while you receive partial disability benefits and your spouse and children are not eligible for survivor benefits. Since you do not earn creditable service while partially disabled, your disability benefit will not automatically change when you would have reached your normal retirement date. (Fairfax County Ordinance 3-7-29)

Provisions Applicable to Total and Partial Disabilities

Total and partial service-connected disability retirees must accept medical services, vocational rehabilitation, or other employment under the Workers' Compensation Act or face suspension of their Workers' Compensation benefits. If those benefits are suspended, the Board of Trustees has the option to continue calculating the retirement benefit as though the retiree was still receiving those benefits. Benefits may be terminated if a retiree fails to cooperate with Workers' Compensation rehabilitation, vocational or medical requirements. (Fairfax County Ordinance 3-7-33)

Service-connected disability retirees must undergo periodic medical re-evaluations annually for the first five years and every three years thereafter as required by the Fairfax County Ordinance 3-7-33.

Total and partial service-connected disability retirees who have not yet reached their normal retirement age must send in a copy of their tax returns and W-2 forms each year to verify their outside earnings. Benefits will be reduced to the extent your earnings plus your retirement benefit exceed what you would have earned if you had not retired. (Fairfax County Ordinance 3-7-34)

There is an automatic benefit payable to the surviving spouse and children of total service-connected disability retirees (no benefit is provided for spouses or children of those approved for partial service-connected or ordinary disability retirement). If you should die after retirement, your spouse (or eligible surviving handicapped child if there is no spouse) will receive a death benefit of \$1,619.80 per month. In addition, each eligible surviving child will receive \$647.91 per month up to a maximum family benefit of \$3,239.58. (These amounts are effective as of July 1, 2003 and are indexed annually.) The benefit to your surviving spouse continues until your spouse remarries. Surviving unmarried children under age 18 who are not supporting themselves (up to 23 if they are full-time students) are eligible for the benefit. (Fairfax County Ordinances 3-7-29, 3-7-41, 3-7-42)

• **Non-Service-Connected Disability Retirement:** If you become totally disabled but it is not due to a job-related accident or illness or if it is due to your own gross and willful negligence, wanton neglect of duties and responsibilities, drunkenness or illicit use of narcotics, the System's Board of Trustees may retire you on a non-service-connected disability retirement. No disability benefits are provided for partial non-service-connected disabilities. (Fairfax County Ordinances 3-7-31, 3-7-36)

Benefits for non-service-connected disability retirement are calculated as 2.8% times Average Final Compensation* (AFC) times your years of service (the minimum benefit is 10% of AFC). The total is then increased by 3%. Unused sick leave may be credited as service at the rate of 172 hours of sick leave per month of service. Benefits are taxable. To continue to receive benefits, non-service-connected disability retirees must satisfy medical examinations annually for the first five years after retirement then every three years thereafter as required by the County Code. Your level of benefits may also be reduced following completion of a rehabilitation or training program, a re-evaluation, or based on other factors which significantly affect your ability to gain other employment and compensation equivalent to your prior position as a police officer. Also, benefits cease if you return to work with Fairfax County in a retirement eligible position under the Police Officers Retirement System before your normal retirement date. You will not receive service credit while on non-service-connected disability retirement and no automatic surviving spouse and children's benefit is payable. (Fairfax County Ordinances 3-7-31, 3-7-32, 3-7-33)

Applications for disability retirements must be made within one year of your termination from Fairfax County. The application forms for disability retirement are at the end of this booklet including forms to be completed by you and by your physician. Once

they have been completed and returned, the Board of Trustees will make a determination if you are medically disabled and if the disability was job-related.

* *Average Final Compensation (AFC)*: is the average of the highest consecutive 78 bi-weekly pay periods any time in your career (adjusted for any deferred merit increments in FY 1992 and FY 1993). Periods of Leave Without Pay (LWOP) for approved Family and Medical Leave will be ignored when selecting the highest consecutive pay periods.

Decisions You Must Make at Retirement

- **When Should I Go?** If you are disabled, you may be able to use your annual, sick or injury leave or compensatory time until your retirement is approved. However, once you decide to retire, there are several things that you should consider while deciding when in the year you wish your retirement to become effective.

Pay for Performance Increases and Retiree COLA: If possible, you may wish to wait until after the effective date of a Pay for Performance increase in order to have your AFC and annual leave/compensatory time payoff calculated at the highest possible salary or choose a date that will provide you with the highest possible prorated first year COLA on your retirement benefit.

Leave Implications: You may wish to retire before your excess annual leave is converted to sick leave or excess compensatory time is lost in January or, you may choose to wait until after the excess annual leave is converted to sick leave which counts as service.

Tax Implications: You may wish to choose a retirement date that allows your annual leave/compensatory time payoff to be paid after January 1 so that it will not be included as part of your taxable salary for your last year of employment.

Insurance Implications: You may choose to wait until your County term life insurance coverage is adjusted in August to reflect the prior year's salary changes.

- **Deductions/Taxes**: You will have to make decisions about any deductions or, if you are retiring on an Ordinary Disability Retirement, any tax withholding you may wish to have taken from your retirement check.

You may request that deductions for County group term life, dental and health insurance premiums, as well as contributions (if any) to your credit union and the Police Association or Virginia Coalition of Police be taken from your retirement benefits. In addition, Federal and Virginia State income tax will be withheld at your request. If you are liable for another state's taxes you will have to file estimated tax forms with that state.

Other Questions

- **Can My Benefits Be Assigned, Attached or Garnished?** No, except to the extent permitted by Virginia law for spousal and/or child support or for Internal Revenue Service (IRS) tax levy or Chapter 13 bankruptcy court orders.

• **Will I Receive Cost-of-Living Adjustments (COLAs) as a Retiree?** Yes.

Retirees receive COLAs based on the lesser of 4% or the Consumer Price Index increase for the Washington, D.C. area each year on July 1. COLAs are prorated in your first year of retirement. For Service-Connected Disability retirees, COLAs are paid on the net check after the offset for Workers' Compensation.

• **Are My Benefits Taxed?** Service-Connected Disability Retirement benefits are

not taxable while Ordinary Disability Retirement benefits are generally taxable. Contributions you made prior to January 1, 1985 have already been taxed and are not taxable again. According to IRS regulations, a small portion of these already-taxed contributions will be included in each of your Ordinary Disability Retirement checks. At the end of each year, you will be sent a IRS Form 1099-R showing the taxable and previously taxed benefits paid to you that year along with the amount of any taxes you have had withheld. Service-Connected Disability retirees do not receive a 1099-R.

• **What Information Will I Need to Retire?** A completed retirement application and statement of disability from you and your physician (see the Appendix for blank forms).

• **What Happens If I Return to Work For Fairfax County After I Retire?**

—*Service-Connected Disability Retiree*: If you are a service-connected disability retiree and are hired again as a Police Officer covered by the Police Officers Retirement System, your retirement benefits will cease and you will again become a contributing member of the System. When you later retire, if you were retired on a total disability, you will receive credit for the time when you were retired and your new retirement benefit will be calculated as though you had never left. If you are hired to a position covered by one of the other Fairfax County Retirement Systems, you will retain your annuity but are barred from joining the new System. Your annuity, however, may be reduced based on the Board's determination of your ability to perform gainful employment. In addition, your combined monthly salary and retirement benefits may not exceed the salary authorized for the then current

maximum monthly salary for a Deputy County Executive, Grade E-14. If you exceed that cap, your retirement benefit will be reduced.

—*Non-Service-Connected Disability Retiree*: If you are a non-service-connected disability retiree and are hired as a Police Officer covered by the Police Officers Retirement System, your retirement benefits will cease. You do not receive service credit for the period you were receiving retirement benefits.

Your First Check

Retirement benefits are paid once a month on the last working day of the month. You will receive your first check at the end of the first full month following the month in which your disability retirement has been approved by the Board of Trustees.

Since your first check will include all retirement benefits earned from your date of retirement it is often larger than subsequent checks. For instance, if you retire on September 10, you will receive your first retirement check the last working day of October. The check, however, will include your retirement annuity for October and the portion of September after you retired. No income taxes are withheld from the first check except upon your request.

Direct Deposit

Direct Deposit is required for retirees. You will, however, receive your first check in the mail. A Direct Deposit Authorization form must be completed by each member at retirement.

To change banks or account numbers, call the Retirement Agency at (703) 279-8200 or 1-800-333-1633 to request the appropriate form.

Workers' Compensation

If you have questions about your Workers' Compensation benefits, Cost-of-Living Adjustments to those benefits, or medical/rehabilitative services provided under the provisions of the Workers' Compensation Act you should contact Risk Management at (703) 324-3040 or 1-800-999-0709.

Retiree Report/Other Information

It is important for you to keep abreast of changes in the laws that affect your retirement and other benefits. One source for some of this information is the *Retiree Report* published quarterly by the Retirement Agency.

Personnel Issues

Leave Payoff

When you retire, you are paid for your accumulated annual and compensatory leave. Sick leave is not paid but is used in the calculation of your retirement benefit.

There are several things to consider with regard to your leave payoff:

- Social Security Benefits — If you are eligible to receive Social Security benefits, your leave payoff could affect those benefits. This is because Social Security benefits are subject to an earnings cap and your leave payoff is considered earnings.

We recommend that you contact the Department of Human Resources, Payroll Division on this matter. The Payroll Division can give you a letter that explains your leave payoff to the Social Security Administration. The letter will show the dollar value of the leave you earned in prior years versus the value of the leave earned in the year you receive the leave payoff. *Only the leave you earned in the year you receive your leave payoff should be counted toward your Social Security earnings cap.*

- Federal and State Tax Withholding — Federal tax withholding is 28% on leave payoffs. State tax withholding is 5.75%. You have an option to raise or lower the standard withholding amount. To change the standard withholding, ask your payroll clerk for the form titled: *AUTHORIZATION TO CHANGE STANDARD WITH-HOLDING ON A LUMP SUM DISTRIBUTION*.
- Social Security and Medicare Tax Withholding — If you receive your leave payoff before the end of the tax year in which you retire, and you have reached the maximum earnings subject to Social Security earnings for that tax year, you will not have Social Security tax withheld from your leave payoff. Medicare tax will be withheld because there is no limit on the earnings that are subject to Medicare tax.
- Timing — Routinely, your leave payoff is received two weeks after your last paycheck. However, you can make arrangements to receive your leave payoff at the time you receive your last paycheck. This option is made available to retirees who are leaving the area or who find this a more convenient way to handle their final compensation.

For information and assistance, call the Department of Human Resources, Payroll Division at (703) 324-3412.

Health Insurance

If you are enrolled in one of the County's health insurance plans when you retire, you and your dependents are eligible to continue to be covered by one of the County's health insurance plans. If you are not enrolled in one of the County's health insurance plans at retirement, or if you ever drop your coverage after retirement, you will be asked to sign a form acknowledging that you will **NOT** be able to enroll in one of the County's health insurance plans in the future. The only exception to this policy is if you or your spouse are hired by the County in a position that entitles you to health insurance.

At retirement, you may add or remove dependents from your coverage but you cannot change plans. After you retire you may drop dependents at any time but you may only add dependents or change plans during Open Enrollment for retirees held every November. If, however, you live beyond the boundaries of your plan's service area or move beyond the boundaries of your plan's service area, you will be ineligible to continue with that plan. You may enroll in another health plan for which you are eligible if you make the request to the Retirement Agency within 60 days of when you become ineligible.

When you or your spouse become eligible for Medicare (see section on Medicare), you are required to sign up for both Part A and Part B. If you do not sign up when you become eligible, and you are enrolled in the FairChoice+ or the Blue Preferred PPO plan, you will be responsible for paying the portions of your claims that Medicare would have paid.

If you are enrolled in Kaiser as a retiree, when you or your spouse become eligible for Medicare, you must apply for Medicare and Kaiser Medicare Plus. To apply

for Medicare Plus, you should contact Kaiser at (301) 816-6428 and request an application. If you do not apply for Medicare Plus or at the time you become eligible for Medicare, you must change to another health plan for which you are eligible within 60 days of becoming eligible for Medicare or your coverage will be cancelled. If you have CIGNA coverage when you or your spouse become eligible for Medicare, you must cancel your coverage or change to another plan for which you are eligible within 60 days of Medicare eligibility.

Current rates for the health plans available to retirees are available from the Retirement Agency. As a retiree, you pay the full cost of your health insurance. If you keep your health insurance coverage through Fairfax County, the County will pay a subsidy toward the cost of your County health insurance premium. The health insurance subsidy is calculated according to age and years of service.

If you retire with an ordinary disability, your subsidy will be effective at the time of retirement and will be calculated based on your age and years of service. If you retire with a service-connected disability, your subsidy will start at the time of your retirement and will be \$220 per month.

If you should die after retirement, and have retired on a regular service retirement, your surviving spouse may continue to be covered by County health insurance only if the surviving spouse was covered by County health insurance at the time of your death. If your surviving spouse receives a survivor's benefit (see section on Join and Last Survivor's Benefit), the premiums will be deducted from your surviving spouse's retirement check. If you were receiving a subsidy at your death, your surviving spouse will continue to receive it. If you were not yet eligible, your widow/widower will begin to receive it when he or she turns age 55.

If your surviving spouse does not continue to receive survivor benefits from the County, he or she may continue to be enrolled in the health insurance plan until remarriage by sending a check for the premium (payable to **County of Fairfax**) to the Retirement Agency each month. These surviving spouses are not eligible to receive the health subsidy.

The County reserves the right to make changes in the health plan benefits so they may not continue at the same level that exists when you retire.

If you have questions or problems with your health insurance, call the plan's customer service representatives directly. If you are still unable to resolve your concern, contact the Information Officer at the Retirement Agency at 703-279-8200 or 1-800-333-1633.

Dental Insurance

Retirees who are covered by dental insurance when they retire may continue to have dental insurance premiums deducted from their checks.

Group Term Life Insurance

If you are covered by the County's Group Term Life Insurance when you retire, you may continue to be covered as a retiree. Your share of the premiums will be deducted from your retirement check and the County will continue to pay the

"employer's share" of the premium. The amount of your coverage will be reduced to 65% of your original coverage the September following your 65th birthday or your retirement whichever comes first. It will be reduced again to 30% of your original coverage the September following your 70th birthday. Premiums will be reduced in August to reflect the lower coverage. If you elect the \$10,000 level of coverage (see below) there will be no reduction in coverage. The accidental death and dismemberment provision of the policy terminates at your retirement.

You will be given several options regarding your life insurance when you retire. The options available to you depend on the coverage you have as an employee.

For information about your premiums, call the Retirement Agency at 703-279-8200 or 1-800-333-1633. To change your beneficiary or if you have questions about your coverage, call the Department of Human Resources at 703-324-4917.

Life Insurance From the Police Association or from the Fairfax Coalition of Police

You may be covered by insurance provided by the Police Association or the Fairfax Coalition of Police. For information about that policy, contact the Police Association at (703) 278-8626 or Fairfax Coalition of Police at (703) 934-2677.

Long Term Disability (Salary) Insurance

If you have had Long Term Disability Insurance you should apply for disability benefits by contacting the Department of Human Resources, Employee Benefits Division at (703) 324-4917. If you are not eligible to receive long-term disability insurance benefits and you have been covered by the policy with Cigna for at least 12 consecutive months prior to your retirement and you will be gainfully employed elsewhere, you are eligible to convert to a disability conversion insurance plan. Payment for this coverage cannot be deducted from your retirement check. You have 31 days from the date of your retirement to submit an application for automatic conversion. If you apply for the new coverage more than 31 days after your retirement you will be required to supply evidence of insurability. For a conversion application contact the Department of Human Resources, Employee Benefits Division at (703) 324-4917.

Flexible Spending Accounts

- Dependent Care Assistance Program: Your pre-tax deductions cease with your last regular paycheck. However, you may continue to submit claims for eligible expenses for the plan year until March 31 of the following year and/or until your account balance is exhausted. Claims questions should be directed to Ceridian Benefits Services at 1-877-799-8820.

- Medical Spending Account: Your pre-tax deductions cease with your last regular paycheck. You then have 90 days to submit claims for medical expenses incurred from the beginning of the plan year until the date of your last regular paycheck.

If you do not have sufficient claims incurred to completely exhaust your account, the remaining balance will be forfeited unless you make arrangements to continue making your contributions on an after-tax basis to your Medical Spending Account directly to the Department of Human Resources. You can continue to make contributions until the end of the plan year or you may stop earlier (i.e. when you have incurred enough medical expenses to exhaust your account) by contacting the Department of Human Resources, Employee Benefits Division at (703) 324-4917. For more information call Ceridian Benefits Services at 1-877-799-8820.

Deferred Compensation Plans

As a retiree, you may not contribute to the Deferred Compensation Plan. Your account(s) with T. Rowe Price, ICMA, and/or VALIC will continue to accumulate earnings based on the investments you choose and you will continue to receive quarterly statements. You may continue to transfer your money among funds within each company and transfer money between the two companies provided you have not yet begun to receive payments.

When you retire, you will receive a letter from the Department of Human Resources explaining your payout options. Within 60 days of your receipt of the letter you must decide the year in which you want to receive your funds. You may postpone the beginning distribution date ONE TIME to a future date. At least 30 days prior to the start of your distributions, you must identify the payment schedule. The payment schedule is the frequency and amount of your distributions. Once the distributions have begun, you cannot change the payment schedule.

For more information, contact the Department of Human Resources, Benefits Division at (703) 324-4917.

Savings Bonds

If you are having money deducted for a Savings Bond when you retire but do not have enough to cover the purchase of an entire bond, you will receive a refund for the partial deduction.

Charitable Contributions

Your charitable contributions will automatically cease with your last regular paycheck. If you wish to fulfill your pledge you may contact: Fairfax-Falls Church United Way, 8381 Old Courthouse Rd., Suite 140, Vienna VA 22180-3818 or call (703) 847-0400.

Beneficiary and Address Changes

When you retire, you will be asked to name a beneficiary to receive the balance of your contributions should you die before they are exhausted. If your beneficiary or address changes, you must notify the Retirement Agency by calling (703) 279-8200 or 1-800-333-1633.

However, notifying the Retirement Agency will not change your beneficiary or address for your other benefits. If your beneficiary or address changes contact the Department of Human Resources, Benefits Division or the Company providing the benefit directly.

Miscellaneous Notes

- If you are moving when you retire, remember to notify your payroll clerk of your new address so your W-2 Form will not be delayed.
- All employees must complete the Employee Clearance Record before retiring. Ask your payroll clerk about this.

Other Issues

Credit Union

You may continue to be a member of the Fairfax County Employees Credit Union after you retire. Deductions to the Credit Union may be taken from your retirement check and you may elect to have your retirement benefit directly deposited into your Credit Union account. If you have a loan with the Credit Union and are making payments from your paycheck, you must contact the Credit Union and let them know to begin taking the payments from your retirement check instead. For more information contact the Fairfax County Employees Credit Union at 4105 Rust Road, Fairfax VA 22030, phone: (703) 591-0252.

Fitness Center

Retirees are eligible to use the exercise equipment in the Fitness Center in the Government Center. Hours and cost are the same as for active employees. In addition, there are aerobics and other exercise classes offered at the Fitness Center for minimal fees. For more information, stop by the Fitness Center.

Prohibition Regarding Future Employment Activities

For one year after your employment with Fairfax County ends, you may not be involved in certain activities in your subsequent employment. You may not assist anyone (other than another governmental agency) with respect to any matter you participated in while in County service, if your participation as a County employee involved a decision, approval, or recommendation with respect to the matter. For more information or a copy of the policy, contact the Department of Human Resources.

Social Security and Medicare

- Social Security: Even though you did not contribute to Social Security as a Police Officer, you may be eligible for benefits based on other covered employment. You may also be eligible for Medicare benefits since deductions for Medicare may be deducted from your salary. If you are totally disabled and cannot do any kind of work for

at least a year or have a condition that will result in your death, you and your family members may be eligible to receive disability benefits through Social Security. These benefits are based on your lifetime earnings. If you are not eligible for disability benefits you will probably be eligible to receive Social Security retirement benefits at age 65 (with reduced benefits available as early as age 62). You may be eligible to receive those benefits based on your own earnings or on the earnings of your current or former spouse. In addition, Social Security provides benefits for your surviving spouses and children when you die. Surviving spouses (including divorced spouses) may be eligible to receive survivor benefits as early as age 60 or earlier if they are disabled or caring for eligible children. Social Security also provides Supplemental Security Income (SSI) benefits for those with low incomes and limited assets who are blind, disabled or over age 65.

For more information or to apply for benefits call Social Security at 1-800-772-1213. For retirement benefits its best to call up to three months before the month you plan to begin receiving benefits.

During the first calendar year in which you collect Social Security benefits you will be paid for each month in which your earnings do not exceed a limit based on your age. After the first year, if your *annual* earnings exceed certain limits, your benefits will be reduced. Therefore, if you retire late in one calendar year and you receive payment for your annual leave and comp time in the next calendar year, your benefits could be affected since your leave pay off may cause you to exceed your annual earnings cap. In that case you may request a letter from the Department of Human Resources, Payroll Division at (703) 324-3339 that informs the Social Security Administration that the leave was earned in a prior year. (*See section on Leave Payoff.*)

- Medicare: If you are age 65, receive Social Security disability benefits and you are not covered by another employer's health plan, you may be eligible for Medicare. (*Fairfax County retirees covered by one of the County's health insurance plans are not covered by an employer's health plan but they are in a retiree's health plan.*) Medicare has two parts. Part A is free and pays for covered inpatient hospital care while Part B costs \$88.50 a month for calendar year 2006 (deducted from your Social Security check) and covers doctors' services, outpatient hospital care and other medical services. Those enrolled in one of the County health insurance plans are required to sign up for both Part A and Part B when first eligible.

If you are receiving Social Security benefits you will automatically be enrolled in Medicare when you become eligible. If you are not receiving Social Security benefits, you must contact the Social Security Administration at 1-800-772-1213 up to three months before the month in which you turn age 65 to sign up for Medicare.

Medicare Part A pays most costs for inpatient hospital, skilled nursing facilities, home health and hospice care. Part B pays many of the costs for doctors' services; outpatient hospital services; home health visits; diagnostic X-rays, laboratory and other tests; certain ambulance services; and some other medical services and supplies. Both Part A and B require you to pay deductibles and some portion of the cost of covered services. Medicare provides no coverage for prescription drugs, dental care, and long-term custodial or nursing home care.

Many companies offer supplemental "Medigap" policies to cover some or all of your "out-of-pocket" expenses that Medicare does not pay. The government requires that each of these "Medigap" plans provide one of 10 levels of benefits (Plans A-J). Plan A covers the least of your out-of-pocket expenses and is generally the least expensive while Plan J is the most generous and generally costs the most. Most provide little or no coverage for prescription drugs. Make sure you research any plan you consider participating with.

The County's health insurance plans are not Medigap plans but still pay many of your out-of-pocket and prescription drug expenses. Generally, you will still be required to pay the same deductibles and co-payments for your medical care that you paid before you had Medicare but in most cases, your monthly premium costs are reduced significantly. Also, if you are covered by a County health insurance plan you may not be eligible to be covered by a Medigap plan.

For more information you may contact Medicare for the publication entitled *Guide To Health Insurance For People With Medicare* available from: Medicare Publications, 1-800-MEDICARE (1-800-633-4227) or on the internet at <http://www.medicare.gov/Publications/Home.asp> and search the list of available publications. Medicare should not be confused with Medicaid. Medicaid is the health plan for low-income individuals with limited assets and is usually operated by State welfare or human service agencies. You can also access Social Security and Medicare information by visiting the websites at www.ssa.gov and www.medicare.gov respectively.

Laws governing Medicare, Medicaid and health insurance are subject to change. Watch the *Retiree Report* and other media for information.

Area Agency on Aging

Fairfax County has a reputation of being one of the best places in the country to find any type of service for the elderly. These include senior centers throughout the County where classes and activities are held; many publications geared to the needs of the elderly; home based care programs providing meals, regular visits and other care for the homebound; help with housing, medical forms, and other needs; as well as many opportunities for volunteering and recreation tailored to seniors.

Many of these services are provided through the County's Area Agency on Aging. For more information about their programs call the Area Agency on Aging at (703) 324-5411 (TDD (703) 803-7914).

Most communities are served by their own Area Agencies on Aging or other government agency providing similar services. Consult your phone directory for more information.

Volunteer Opportunities

The Seniors in Action (SIA) is a Fairfax County program matching volunteers age 55 and over with community needs. Over 250 nonprofit agencies and organizations throughout Northern Virginia provide a wide range of volunteer opportunities. Volunteers may work 3-4 hours per week or more on activities including working in hospitals and mental health centers; reading to the visually handicapped; working with children as tutors, school aides, or living historians; organizing activities and crafts in nursing homes; helping in libraries; participating in archeological projects; conducting historic tours; serving on organizational boards, commissions and committees; assisting in environmental projects; working in nonprofit thrift/gift shops; assisting the handicapped; providing transportation; conducting research/data collection; working with computers; and providing clerical/office support. For information contact (703) 324-5411 and ask for the volunteer intake person (VIP) for Seniors in Action.

Retiree Association

The Fairfax County Retired Police Officers Association is open to any retiree from the Police Officers Retirement System. Dues are \$10 annually. For more information call James Covell at (703) 426-2781.